

The opinion in support of the decision being entered today was not
written for publication and is not binding precedent of the Board.

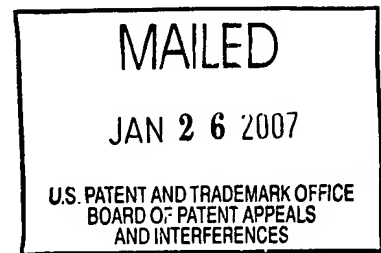
UNITED STATES PATENT AND TRADEMARK OFFICE

**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Ex parte JAMES M. MATHEWSON II, and MARCIA L. STOCKTON

Appeal No. 2006-3129
Application No. 10/666,287

ON Brief



Before HAIRSTON, MACDONALD, and HOMERE, Administrative Patent Judges.

MACDONALD, Administrative Patent Judge.

DECISION ON APPEAL

This is a decision on the appeal under 35 U.S.C. § 134 from the Examiner's rejection of claims 1-21.

THE INVENTION

The disclosed invention pertains to a system and method for using radio frequency identification with transaction-specific correlator values to detect and/or prevent theft and shoplifting.

Representative claims 1 and 3 are illustrative:

1. A method of preparing information usable in theft detection using radio frequency identification (“RFID”) technology, comprising steps of:

creating a unique correlator value, for a current transaction comprising a plurality of items being purchased together, as a function of one or more values; and

storing the unique correlator value in an RFID tag affixed to each of the items, such that correlator values stored in RFID tags affixed to a group of items can subsequently be compared to determine whether the items in the group were all purchased in one transaction.

3. A method of detecting potential theft using radio frequency identification (“RFID”) technology, comprising steps of:

locating, in an RFID tag affixed to each of a plurality of items possessed by a shopper, a correlator value previously written therein as a unique, transaction-specific value; and

concluding that selected ones of the items possessed by the shopper were potentially not paid for if the located correlator value for the selected items is not identical to the located correlator value for the other possessed items.

THE REFERENCES

The Examiner relies upon the following references:

Chenoweth et al. (Chenoweth)	6,019,394	Feb. 1, 2000
(incorporated by reference in Otto, U.S. Pat. 6,554,187, col. 1, line 17)		
Loof	6,507,279	Jan. 14, 2003
Otto	6,554,187	Apr. 29, 2003

THE REJECTIONS

The following rejection is on appeal before us:

1. Claims 1-21 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over the teachings of Otto in view of Loof.

Rather than repeat the arguments of Appellants or the Examiner, we make reference to the Briefs and the Answer for the respective details thereof.

OPINION

We have carefully considered the subject matter on appeal, the rejection advanced by the Examiner and the evidence of obviousness relied upon by the Examiner as support for the rejection. We have, likewise, reviewed and taken into consideration, in reaching our decision, the Appellants' arguments set forth in the Briefs along with the Examiner's rationale in support of the rejection and arguments in rebuttal set forth in the Examiner's Answer. Only those arguments actually made by Appellants have been considered in this decision. Arguments

which Appellants could have made but chose not to make in the Briefs have not been considered and are deemed to be waived. See 37 C.F.R. § 41.37(c)(1)(vii)(2004). See also In re Watts, 354 F.3d 1362, 1368, 69 USPQ2d 1453, 1458 (Fed. Cir. 2004).

It is our view, after consideration of the record before us, that the evidence relied upon supports the Examiner's rejection of the claims on appeal.

Accordingly, we affirm.

GROUPING OF CLAIMS

We consider the obviousness of the following logical groups of claims, as defined under separate subheadings and argued separately by Appellants in the Briefs.

- GROUP A: Claims 1, 8 and 15 [Brief, page 5].
- GROUP B: Claims 2, 9 and 16 [Brief, page 14].
- GROUP C: Claims 3, 10 and 17 [Brief, page 16].
- GROUP D: Claims 4, 11 and 18 [Brief, page 17].
- GROUP E: Claims 5, 12 and 19 [Brief, page 18].
- GROUP F: Claims 6, 13 and 20 [Brief, page 18].
- GROUP G: Claims 7, 14 and 21 [Brief, page 19].

In rejecting claims under 35 U.S.C. § 103, it is incumbent upon the Examiner to establish a factual basis to support the legal conclusion of obviousness. See In re Fine, 837 F.2d 1071, 1073, 5 USPQ2d 1596, 1598 (Fed. Cir. 1988). In so doing, the Examiner is expected to make the factual determinations set forth in Graham v. John Deere Co., 383 U.S. 1, 17, 148 USPQ 459, 467 (1966). The Examiner must articulate reasons for the Examiner's decision. In re Lee, 277 F.3d 1338, 1342, 61 USPQ2d 1430, 1433 (Fed. Cir. 2002). In particular, the Examiner must show that there is a teaching, motivation, or suggestion of a motivation to combine references relied on as evidence of obviousness. Id. at 1343, 61 USPQ2d at 1433-34. The Examiner cannot simply reach conclusions based on the Examiner's own understanding or experience - or on his or her assessment of what would be basic knowledge or common sense. Rather, the Examiner must point to some concrete evidence in the record in support of these findings. In re Zurko, 258 F.3d 1379, 1386, 59 USPQ2d 1693, 1697 (Fed. Cir. 2001). Thus the Examiner must not only assure that the requisite findings are made, based on evidence of record, but must also explain the reasoning by which the findings are deemed to support the Examiner's conclusion. However, a suggestion, teaching, or motivation to combine the relevant prior art

teachings does not have to be found explicitly in the prior art, as the teaching, motivation, or suggestion may be implicit from the prior art as a whole, rather than expressly stated in the references. The test for an implicit showing is what the combined teachings, knowledge of one of ordinary skill in the art, and the nature of the problem to be solved as a whole would have suggested to those of ordinary skill in the art. In re Kahn, 441 F.3d 977, 987-88, 78 USPQ2d 1329, 1336 (Fed. Cir. 2006) citing In re Kotzab, 217 F.3d 1365, 1370, 55 USPQ2d 1313, 1316-17 (Fed. Cir. 2000). See also In re Thrift, 298 F. 3d 1357, 1363, 63 USPQ2d 2002, 2008 (Fed. Cir. 2002). These showings by the Examiner are an essential part of complying with the burden of presenting a prima facie case of obviousness. See In re Oetiker, 977 F.2d 1443, 1445, 24 USPQ2d 1443, 1444 (Fed. Cir. 1992). If that burden is met, the burden then shifts to the applicant to overcome the prima facie case with argument and/or evidence. Obviousness is then determined on the basis of the evidence as a whole and the relative persuasiveness of the arguments. See Id.; In re Hedges, 783 F.2d 1038, 1039, 228 USPQ 685, 686 (Fed. Cir. 1986); In re Piasecki, 745 F.2d 1468, 1472, 223 USPQ 785, 788 (Fed. Cir. 1984); and In re Rinehart, 531 F.2d 1048, 1052, 189 USPQ 143, 147 (CCPA 1976).

MOTIVATION

With respect to all claims (1-21), Appellants argue that the Examiner has failed to provide a proper motivation for combining the Otto and Loof references [Brief, page 12, ¶ 22]. Specifically, Appellants note that the Examiner has asserted it would have been obvious to incorporate detailed purchase information into Otto's RFID tags in order to provide retailers with accurate information regarding the items [*id.*]. Appellants argue that Loof does not teach recording detailed purchase information into the RFID tag [*id.*].

We disagree. We note that Loof explicitly discloses detailed purchase information: e.g., "Credit and purchase information 42 can be any selected method of payment, such [as] credit card, store credit, checking account debit, or other method or combination of methods for payment" [col. 4, lines 52-55, emphasis added]. Loof further discloses: "Purchase information for that item can also be written directly to the RFID tag to designate that the item has been sold, as known in the art" [col. 4, lines 44-46, emphasis added]. Therefore, we find the evidence of record supports the Examiner's position.

We note that the Court of Appeals for the Federal Circuit has determined that the motivation to combine under §103 must come from a teaching or

suggestion within the prior art, within the nature of the problem to be solved, or within the general knowledge of a person of ordinary skill in the field of the invention, to look to particular sources, to select particular elements, and to combine them as combined by the inventor. Ruiz v. A.B. Chance Co., 234 F.3d 654, 665, 57 USPQ2d 1161, 1167 (Fed. Cir. 2000) [emphasis added]. In the instant case, we note that the Examiner has pointed to a teaching or suggestion taken directly from the Loof reference, as discussed *supra*. Therefore, we agree with the Examiner that it would have been obvious to an artisan to modify Otto to incorporate recording detailed purchase information into the RFID tags of a group of items (as suggested by Loof) in order to provide retailers with an accurate record of transactions that consist of more than one item (i.e., a group of items) [see Answer, page 5].

We further note that the Court of Appeals for the Federal Circuit has recently reaffirmed that “an implicit motivation to combine exists not only when a suggestion may be gleaned from the prior art as a whole, but when the ‘improvement’ is technology-independent and the combination of references results in a product or process that is more desirable, for example because it is stronger, cheaper, cleaner, faster, lighter, smaller, more durable, or more efficient

... In such situations, the proper question is whether the ordinary artisan possesses knowledge and skills rendering him capable of combining the prior art references.” DyStar Textilfarben GmbH & Co. Deutschland KG v. C.H. Patrick Co., 464 F.3d 1356, 1368, 80 USPQ2d 1641, 1651 (Fed. Cir. 2006) [emphasis in original]. In the instant case, we also find that the ordinary artisan who possessed knowledge and skills relating to point-of-sale transaction systems at the time of the invention would have been capable of combining Otto and Loof in the manner suggested by the Examiner. For at least the aforementioned reasons, we find unpersuasive Appellants’ argument that the Examiner has failed to provide a proper motivation to combine the references.

We now address specific claim limitations *infra* with respect to each group of claims separately argued in the Briefs.

GROUP A, claims 1, 8 and 15

We consider first the Examiner’s rejection of independent claims 1, 8 and 15 as being unpatentable over the teachings of Otto in view of Loof. Since Appellants’ arguments with respect to this rejection have treated these claims as a single group which stand or fall together, we will select independent claim 1 as the

representative claim for this rejection because it is the broadest independent claim in this group. See 37 C.F.R. § 41.37(c)(1)(vii)(2004).

Appellants argue that Loof has no teaching or any suggestion of creating unique correlator values for items being purchased together in a transaction, and then storing those unique values into the RFID tags of the purchased items [Brief, page 7, ¶11]. Specifically, Appellants argue that Loof has no teaching or suggestion that “purchase information” means a unique correlator created for items being purchased together [Brief, page 7, ¶12]. Appellants further argue that date and time information does not provide a unique correlator value for a current transaction [Brief, page 10, ¶ 16; reply Brief, page 11].

The Examiner disagrees [Answer, page 6]. The Examiner asserts that Otto discloses a correlator value, i.e., transaction information [*id.*]. The Examiner acknowledges that Otto’s transaction information does not show that the group of items are purchased together [*id.*]. The Examiner relies upon Loof for the suggestion of grouping items together in a single transaction (e.g., col. 6, lines 1 and 2) [*id.*]. The Examiner has further considered the support found within the instant specification for the claim term “correlator” [*id.*]. The Examiner points to ¶¶ 0003 and 0015 of the specification that describe a correlator value as being

transaction specific [*id.*]. The Examiner further points to ¶ 0041 that discloses specific examples of data used to create a unique correlator, such as the current date and time [*id.*]. Thus, the Examiner concludes that Otto's unique correlator is simply formed from purchase information [*id.*].

We begin our analysis by construing the meaning and scope of the claimed "unique correlator value" [claim 1]. "During patent examination, the pending claims must be given their broadest reasonable interpretation consistent with the specification." *In re Hyatt*, 211 F.3d 1367, 1372, 54 USPQ2d 1664, 1667 (Fed. Cir. 2000). The broadest reasonable interpretation of the claims must also be consistent with the interpretation that those skilled in the art would reach. *In re Cortright*, 165 F.3d 1353, 1358, 49 USPQ2d 1464, 1467 (Fed. Cir. 1999). In the instant case, we note that the instant specification broadly discloses: "[t]he correlator is created for each sales transaction, using any suitable data for generating a unique value" [¶ 0041, emphasis added]. The instant specification further discloses that data used to create a unique correlator may include: (1) the current date and time, (2) a register number, (3) a transaction identifier, (4) a customer number concatenated with a counter that is incremented for each purchase, or, (3) an incrementing counter used alone [¶ 0041].

When we properly construe the claim term “unique correlator value” in accordance with the broadest reasonable interpretation consistent with the specification, we find that the weight of the evidence supports the Examiner’s position. We agree that the claimed “unique correlator value” broadly reads on Otto’s additional purchase information (i.e., transaction information) that is stored in the RFID label at checkout [col. 2, lines 32-36]. In particular, we note that Otto’s additional purchase information includes the date and time of the purchase, the location of the purchase, and the seller [*id.*]. We agree with the Examiner that Loof discloses the grouping of items in one transaction [col. 6, lines 1 and 2]. We further note that Loof explicitly discloses customer files that track the customer’s location along with the shopping date and time [col. 4, lines 58-60 and col. 6, lines 49-50]. Therefore, we conclude that the Examiner’s broad but reasonable interpretation of the recited “unique correlator value” is fully consistent with the breadth of Appellants’ disclosure.

We note Appellants’ argument that date and time information does not provide a unique correlator value is contravened by Appellants’ own specification that states any suitable data may be used for generating a unique value [Brief, pages 9-11, ¶¶ 16 and 19; instant specification, ¶ 0041]. In particular, we find the

likelihood of two customers purchasing an identical group of items at the same date and time to be so remote so as to be unique for a given store location. Thus, we conclude that the date and time of a customer's purchase of a particular group of items is a unique correlator value.

We further note that the references teach and/or suggest using date and time information in association with location information, as discussed *supra*. In particular, we find that associating date and time information with a specific checkout location (i.e., register) does indeed uniquely identify a particular customer's transaction, as two customers cannot purchase items at the same register at the same time. We further find that an association of the aforementioned information with a grouped item transaction is suggested by the cited references. Therefore, we conclude that an ordinary artisan who possessed knowledge and skills relating to point-of-sale transaction systems at the time of the invention would have been capable of associating date and time information with a customer's location to create a unique correlator value for a transaction involving a group of items. See DyStar Textilfarben GmbH & Co. Deutschland KG, 464 F.3d at 1368, 80 USPQ2d at 1651.

Appellants further argue that Loof fails to teach the recited storing limitation [Brief, page 11, ¶20].

We note that we have found *supra* that Otto's additional purchase information (i.e., transaction information) is stored in the RFID label at checkout [col. 2, lines 32-36]. We further note that representative claim 1 merely requires storing correlator values that "can subsequently be compared to determine whether the items in the group were all purchased in one transaction" [claim 1, emphasis added]. In particular, we note that the language of the claim does not require a correlator value that is actually compared, but instead merely requires a correlator value that is capable of being compared (i.e., "can subsequently be compared") [claim 1]. We acknowledge that the combination of Otto and Loof does not disclose a unique correlator value that is actually compared in accordance with the intended purpose recited in the claim. However, we agree with the Examiner that the language of the claim is met by the combination of references because we find that the unique correlator value suggested by the references is capable of being used in accordance with the intended purpose recited in the claim. Therefore, we find that the Examiner's proffered combination of Otto and Loof teaches or suggests all that is claimed with respect to representative claim 1. Accordingly,

because the Examiner has met his/her burden of establishing a prima facie case of obviousness, we will sustain the Examiner's rejection of representative claim 1 as being unpatentable over Otto in view of Loof.

Pursuant to 37 C.F.R. § 41.37(c)(1)(vii), we have decided the appeal with respect to the remaining GROUP A claims 8 and 15 on the basis of the selected claim alone. Therefore, we will sustain the Examiner's rejection of these claims as being unpatentable over Otto in view of Loof for the same reasons discussed *supra* with respect to claim 1.

GROUP B, claims 2, 9 and 16

We consider next the Examiner's rejection of dependent claims 2, 9 and 16 as being unpatentable over the teachings of Otto in view of Loof. Since Appellants' arguments with respect to this rejection have treated these claims as a single group which stand or fall together, we will consider dependent claim 2 as the representative claim for this rejection. See 37 C.F.R. § 41.37(c)(1)(vii)(2004).

Appellants restate the argument that Loof does not teach creating unique correlator values for the items purchased together in a current transaction [Brief, page 15, ¶30]. We note that we have fully addressed this point of argument *supra* with respect to Group A, representative claim 1. Therefore, we find that the

Examiner's proffered combination of Otto and Loof teaches or suggests all that is claimed with respect to representative claim 2. Accordingly, because the Examiner has met his/her burden of establishing a prima facie case of obviousness, we will sustain the Examiner's rejection of representative claim 2 as being unpatentable over Otto in view of Loof.

Pursuant to 37 C.F.R. § 41.37(c)(1)(vii), we have decided the appeal with respect to the remaining GROUP B claims 9 and 16 on the basis of the selected claim alone. Therefore, we will sustain the Examiner's rejection of these claims as being unpatentable over Otto in view of Loof for the same reasons discussed *supra* with respect to claim 2.

GROUP C, claims 3, 10 and 17

We consider next the Examiner's rejection of independent claims 3, 10 and 17 as being unpatentable over the teachings of Otto in view of Loof. Since Appellants' arguments with respect to this rejection have treated these claims as a single group which stand or fall together, we will select independent claim 3 as the representative claim for this rejection because it is the broadest independent claim in this group. See 37 C.F.R. § 41.37(c)(1)(vii)(2004).

Appellants restate the argument that Loof does not teach creating unique correlator values for the items purchased together in a current transaction [Brief, page 16, ¶ 33]. Appellants conclude that the comparison between correlator values is not taught by the references because neither Otto nor Loof teach a unique, transaction-specific correlator value [Brief, page 16, ¶ 34]. We note that we have fully addressed this point of argument *supra* with respect to Group A, representative claim 1. Therefore, we find that the Examiner's proffered combination of Otto and Loof teaches or suggests all that is claimed with respect to representative claim 3. Accordingly, because the Examiner has met his/her burden of establishing a prima facie case of obviousness, we will sustain the Examiner's rejection of representative claim 3 as being unpatentable over Otto in view of Loof.

Pursuant to 37 C.F.R. § 41.37(c)(1)(vii), we have decided the appeal with respect to the remaining GROUP C claims 10 and 17 on the basis of the selected claim alone. Therefore, we will sustain the Examiner's rejection of these claims as being unpatentable over Otto in view of Loof for the same reasons discussed *supra* with respect to claim 3.

GROUP D, claims 4, 11 and 18

We consider next the Examiner's rejection of dependent claims 4, 11 and 18 as being unpatentable over the teachings of Otto in view of Loof. Since Appellants' arguments with respect to this rejection have treated these claims as a single group which stand or fall together, we will consider dependent claim 4 as the representative claim for this rejection. See 37 C.F.R. § 41.37(c)(1)(vii)(2004).

Appellants restate the argument that Loof does not teach creating unique correlator values for the items purchased together in a current transaction [Brief, page 17, ¶ 37]. We note that we have fully addressed this point of argument *supra* with respect to Group A, representative claim 1. Therefore, we find that the Examiner's proffered combination of Otto and Loof teaches or suggests all that is claimed with respect to representative claim 4. Accordingly, because the Examiner has met his/her burden of establishing a prima facie case of obviousness, we will sustain the Examiner's rejection of representative claim 4 as being unpatentable over Otto in view of Loof.

Pursuant to 37 C.F.R. § 41.37(c)(1)(vii), we have decided the appeal with respect to the remaining GROUP D claims 11 and 18 on the basis of the selected claim alone. Therefore, we will sustain the Examiner's rejection of these claims as

being unpatentable over Otto in view of Loof for the same reasons discussed *supra* with respect to claim 4.

GROUP E, claims 5, 12 and 19

We consider next the Examiner's rejection of dependent claims 5, 12 and 19 as being unpatentable over the teachings of Otto in view of Loof. Since Appellants' arguments with respect to this rejection have treated these claims as a single group which stand or fall together, we will consider dependent claim 5 as the representative claim for this rejection. See 37 C.F.R. § 41.37(c)(1)(vii)(2004).

Appellants restate the argument that Loof does not teach creating unique correlator values for the items purchased together in a current transaction [Brief, page 18, ¶ 40]. We note that we have fully addressed this point of argument *supra* with respect to Group A, representative claim 1. We note again that Otto discloses additional purchase information (i.e., transaction information) that is stored in the RFID label at checkout [col. 2, lines 32-36]. We further note that Otto's additional purchase information includes the date and time of the purchase, the location of the purchase, and the seller [*id.*]. Therefore, we find that the Examiner's proffered combination of Otto and Loof teaches or suggests all that is claimed with respect to representative claim 5. Accordingly, because the

Examiner has met his/her burden of establishing a prima facie case of obviousness, we will sustain the Examiner's rejection of representative claim 5 as being unpatentable over Otto in view of Loof.

Pursuant to 37 C.F.R. § 41.37(c)(1)(vii), we have decided the appeal with respect to the remaining GROUP E claims 12 and 19 on the basis of the selected claim alone. Therefore, we will sustain the Examiner's rejection of these claims as being unpatentable over Otto in view of Loof for the same reasons discussed *supra* with respect to claim 5.

GROUP F, claims 6, 13 and 20

We consider next the Examiner's rejection of dependent claims 6, 13 and 20 as being unpatentable over the teachings of Otto in view of Loof. Since Appellants' arguments with respect to this rejection have treated these claims as a single group which stand or fall together, we will consider dependent claim 6 as the representative claim for this rejection. See 37 C.F.R. § 41.37(c)(1)(vii)(2004).

Appellants argue that Otto teaches the labels are checked to see whether the customer's items were purchased in another store, and not whether the items have an identical correlator value [Brief, page 19, ¶ 43]. Appellants point to Otto at col. 3, lines 14-17 and lines 34-43. We note that we have fully addressed the

correlator value issue with respect to Group A, representative claim 1, as discussed *supra*. We further note that Otto classifies an item brought into the store by a customer as stolen only if the item's RFID label does not contain purchase information (i.e., purchase information written to the RFID tag when the item was legitimately purchased at another store) [col. 1, lines 43-45]. Therefore, we find that Otto does determine that "selected ones of the possessed items were paid for [i.e., items with purchase information in the RFID tag that was written when the item was legitimately purchased another store] if those selected ones were in the shopper's possession when the shopper entered an establishment in which a transaction represented by the correlator value was conducted," as required by the language of representative claim 6. Therefore, we find that the Examiner's proffered combination of Otto and Loof teaches or suggests all that is claimed with respect to representative claim 6. Accordingly, because the Examiner has met his/her burden of establishing a prima facie case of obviousness, we will sustain the Examiner's rejection of representative claim 6 as being unpatentable over Otto in view of Loof.

Pursuant to 37 C.F.R. § 41.37(c)(1)(vii), we have decided the appeal with respect to the remaining GROUP F claims 13 and 20 on the basis of the selected

claim alone. Therefore, we will sustain the Examiner's rejection of these claims as being unpatentable over Otto in view of Loof for the same reasons discussed *supra* with respect to claim 6.

GROUP G, claims 7, 14 and 21

Lastly, we consider the Examiner's rejection of dependent claims 7, 14 and 21 as being unpatentable over the teachings of Otto in view of Loof. Since Appellants' arguments with respect to this rejection have treated these claims as a single group which stand or fall together, we will consider dependent claim 7 as the representative claim for this rejection. See 37 C.F.R. § 41.37(c)(1)(vii)(2004).

Appellants note that claims 7, 14 and 21 specify the limitation of remembering each item that was in the shopper's possession when the shopper entered the establishment [Brief, page 19, ¶ 42]. Appellants further restate the same argument previously presented with respect to Group F (claims 6, 13 and 20) [Brief, page 18, ¶ 40].

We note that we have fully addressed *supra* Appellants' arguments previously presented with respect to Group F (claims 6, 13 and 20). With respect to the limitation of "remembering each item that was in the shopper's possession when the shopper entered an establishment in which a transaction represented by

the correlator value was conducted,” we agree that Otto’s system does not check purchase information unless the RFID tag has information from a different store [see fig. 2, steps 50 and 52, and col. 1, lines 40-42]. Therefore, we acknowledge the existence of differences between the prior art and the instant invention.

However, we note that the Supreme Court has found that in making the determination of “obviousness,” it is important to remember that the criterion is measured not in terms of what would be obvious to a layman, but rather what would be obvious to one “reasonably skilled in (the applicable) art.” Dann v. Johnston, 425 U.S. 219, 229, 189 USPQ 257, 261 (1976), citing Graham v. John Deere Co., 383 U.S. 1, 37, 148 USPQ 459, 474 (1966) [emphasis added].

We note that the Supreme Court in Dann reached a finding of obviousness by concluding that “assuming such an awareness,” respondent’s system would have been obvious to one “reasonably skilled in (the applicable) art” even though, as the court explicitly noted, that “[t]here may be differences between respondent’s invention and the state of the prior art.” Dann, 425 U.S. 219 at 229, 189 USPQ at 261 [emphasis added]. In particular, we note that the Supreme Court held in Dann that “the mere existence of differences between the prior art and an invention does not establish the invention’s nonobviousness ... [where] [t]he gap between the

prior art and respondent's system is simply not so great as to render the system nonobvious to one reasonably skilled in the art." Dann, 425 U.S. 219 at 230, 189 USPQ at 261 [emphasis added].

We further note that the Supreme Court has explicitly recognized that "[b]oth the novelty and the nonobviousness requirements of federal patent law are grounded in the notion that concepts within the public grasp, or those so obvious that they readily could be, are the tools of creation available to all. They provide the baseline of free competition upon which the patent system's incentive to creative effort depends." Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141, 156, 9 USPQ2d 1847, 1854 (1989) [emphasis added].

In the instant case, we find the gap between the prior art and the instant claimed invention is simply not so great as to render the system nonobvious to one reasonably skilled in the art. In particular, we find that Otto's method of detecting and managing RFID labels on items brought into a store by a customer suggests to one reasonably skilled in the art the advantage of remembering each item that was in the shopper's possession when the shopper entered an establishment in which a transaction represented by the correlator value was conducted for the purpose of efficiently recognizing items that were legitimately purchased.

Therefore, because the mere existence of differences between the prior art and an invention does not establish the invention's nonobviousness, we will sustain the Examiner's rejection of representative claim 7 as being unpatentable over Otto in view of Loof.


Pursuant to 37 C.F.R. § 41.37(c)(1)(vii), we have decided the appeal with respect to the remaining GROUP G claims 14 and 21 on the basis of the selected claim alone. Therefore, we will sustain the Examiner's rejection of these claims as being unpatentable over Otto in view of Loof for the same reasons discussed *supra* with respect to claim 7.

In summary, we have sustained the Examiner's rejection of all the claims on appeal. Therefore, the decision of the Examiner rejecting claims 1-21 is affirmed.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED.


KENNETH W. HAIRSTON
Administrative Patent Judge


ALLEN R. MACDONALD
Administrative Patent Judge

Jean R. Homere
JEAN R. HOMERE
Administrative Patent Judge

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Appeal No. 2006-3129
Application No. 10/666,287

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